



Business Case

Project Name: Learning Management System (LMS)

Channel: SFA University

Project Sponsor: Anne Teresa

Project Lead: Vicki Wilson

The following business case articulates the need to implement a Learning Management System (LMS) for SFA University. Although this business case addresses the full implementation effort, a detailed implementation approach, costs and benefits will be confirmed during Phase 1: Requirements and Software Selection. At this time it is requested that funding be provided for Phase 1: Requirements and Software Selection and funding be “set aside” for implementation during Phases 2 and 3. At the end of Phase 1, the business case will be revised and submitted to the IRB to review and confirm the funding request.

Project Description

Describe the need for change (the business problem to be addressed).

SFA University has primary responsibility for providing best in business learning services through creating and disseminating learning materials and programs and locating vendor/contractor programs that target SFA employees and partners. SFA University is tasked with providing the architecture to maintain all SFA learning products and for communicating the learning products and services available to SFA staff (Internal Customers) and schools (External Customers).

Currently, SFA University has minimal resources available to support the new responsibilities it acquired during its reorganization into a model “corporate university”. Numerous process inefficiencies exist that must be corrected if SFA University is to provide the level of service necessary to meet the SFA modernization objectives of customer satisfaction, employee satisfaction, and reduced costs. The current manual processes and limited computer systems within the Department of Education and SFA University do not support activities that are integrated into SFA’s internal organizational development. Instead they focus on the prior responsibilities of what was formerly the “training branch”. These minimal resources are limited to SFA University’s training and registration web pages for external customers, limited access to the Department of Education’s TRAINS system, and manual research.

As a result, the added responsibilities of providing training information to internal SFA customers and developing an accurate and reliable method of tracking employee training and development have been seriously hindered. No system exists to register for training, maintain training records, provide a course catalog, or map jobs to training needs. Once in place, this system will be a critical factor in supporting SFA management’s focus of resources on projects that will have the greatest positive impact on customer satisfaction.

Finally, the functionality provided by the existing SFA University manual processes and the systems within the Department of Education are not sufficient to meet the needs of an expanding organization such as SFA. In order to provide information to a growing number of both internal and external customers, and gather



information about our customers' training needs and accomplishments, SFA University needs to provide (Appendix 1):

- An online searchable course catalogue that will enable employees to find courses that match the skills needed to perform specific jobs, thereby enhancing career potential and aiding in employee satisfaction.
- A central repository for all SFA learning materials. This includes downloadable versions of both internal training materials such as Traditions and external training materials developed for schools that will enable SFA University to reduce costs by reducing the need for printing and mailing materials.
- An online evaluation system for both internal employees and external customers that will allow SFA University to make cost effective decisions on future training projects.
- An online registration system that includes logistical information such as travel arrangements, directions, maps, and hotel information. This user friendly, one stop approach to training registration and logistics has the potential to tremendously impact customer satisfaction.
- A database of National training for employees.
- A database of National training for schools.
- A training request survey to determine what training is missing and/or needs to be developed. This will add to cost reduction and customer satisfaction by giving the customers the ability to communicate what training they want and what format works best for them.
- Shared data interfaces with HR and other systems that enable employees to view performance plans and determine what courses they need to improve skills.
- An automatic certificate and name-tag printing function based on registrants for specific courses that will reduce the current costs of creating these manually.
- A scalable system that may be used to facilitate web-based classroom training and the coordination of traditional classroom instruction.
- On-line help/FAQs to support training registration and learning management processes. Through email based customer service and other services, employee and customer satisfaction will be improved.

All of these indicate an inherent need for a Learning Management System that is strategically embedded in SFA's organizational development.

What is the purpose of the initiative?

The focus of this effort is to improve the delivery of training services by SFA University to all channels. When implemented, customers will be able to access targeted learning more accurately and more quickly while enabling SFA to deliver these services in a proactive manner with greater consistency and efficiency. A Learning Management System (LMS) will support the administration, delivery and integration of training throughout SFA. SFA use of the current training registration system, provided by the Department of Education, will be suspended when the Learning Management System is fully implemented.

Further, this initiative will consider "touch points" and integration needs associated with leveraging HR systems and performance management systems as defined by the Automated Human Capital Model Task Order 62 (Appendix 2).

What is the scope of the initiative, including what it is not?

The scope of the initiative is to identify, procure and implement a Learning Management System and retire the current, ineffective processes/systems. Not included in this effort is an assessment of skills, curriculum and courseware.



Beginning with an analysis of requirements and software selection (Phase 1), the LMS will then be implemented in two phases (Phases 2 and 3):

During Phase 1, the following LMS requirements/opportunities will be considered:

- Services and capabilities required by SFA University for a LMS
- Customizations, both system-wide and employee specific
- Configuration requirements
- Synergies with the Automated Human Capital Model (task order 62), primarily in the area of documenting current training processes.
- Various pricing and sourcing models, including:
 - Building a customized system versus implementing a 3rd party vendor LMS
 - Partner with Department of Education TDC to expand on the LMS currently being implemented by the TDC
 - Outsource LMS services to the Department of Transportation Virtual University (TVU)
 - Enterprise-wide use of the LMS to support all channels; for example the LMS may also support conference planning and performance management
 - Cost recovery model in which channels would charge for services such as registration and logistics associated with conferences and training
 - ASP hosting model versus VDC hosting, where applicable

At the end of Phase 1, the business case will be revised to reflect specific costs and benefits tied to the services and capabilities recommended for implementation. Following Phase 1, basic LMS functions will be implemented to maximize speed and begin realizing some benefits for employees (internal customers). Phase 3 will focus on providing service to external customers, customizing the LMS, and its integration with other SFA systems. The deliverables for Phase 1 and the functions to be implemented in Phases 2 and 3 are as follows:

Phase 1: Requirements and Software Selection (2 - 3 months)

- Functional/Technical Requirements
- Software Selection Criteria
- Software Selection Recommendation
- Vendor Contracting (primarily for 3rd party vendor LMS)
- Implementation Plan

Phase 2 – Design, Build and Implement Basic LMS Functions for internal customers (3 – 5 months)

- Online Course Catalog
- Online Registration System
- Hosting of Online Training (CBT, WBT, Webcasting, etc...)

Phases 3 – Customize and Extend LMS for internal and external customers (4 – 6 months)

- Training Surveys and Evaluations
- Training Planning
- Online Logistics Assistance
- Training Records Maintenance Which Include Employee “Transcripts”
- Automatic Training Certificate Printing
- Training Communication (Announcements, SFA U list serve, FAQs)



What is the start date and end date of the initiative?

Pending approval by the Investment Review Board, the initiative will begin immediately and will produce Initial Operating Capability (IOC), as defined by Phase 1 and Phase 2, by November 2001. Final Operating Capability will follow in Phase 3 and be completed by April 2002.

What other business areas/external groups are affected by the implementation of this initiative and how are they affected?

The SFA University organization will be greatly impacted in their day-to-day operations. Most significantly, employees who administer and deliver training will be impacted. Further, human resources will be impacted by those processes that integrate learning management, training and human resources functions. For example, systems/processes pertaining to skills management, performance management and employee information may be affected.

Further, all organizational units within SFA will be end-users of the system, and will therefore be affected. External customers who are end-users of the system will also be affected.

What systems are impacted by the implementation of this initiative and how are they impacted?

The current system for assisting registration does not meet the needs of SFA University system and will be retired. Additionally, this initiative will be completed as the Automated Human Capital systems come on-line; minimal impacts to these systems will focus on those processes that integrate learning management, training and human resources functions. For example, human resources systems pertaining to skills management, performance management and employee information may be affected. An employee portal may also be minimally impacted by providing a link to access the LMS. Specific technical interfaces will be defined during Phase 1 as technical requirements are determined (Appendix 2).

What business processes are impacted by the implementation of this initiative and how are they impacted?

The business processes to be directly impacted include:

- Researching courses
- Certificate and name-tag printing
- Training logistics
- Training registration
- Course evaluations
- Reporting on training usage and effectiveness
- Curriculum planning
- Use of training delivery channels (CBT, WBT, Webcasting, etc...)

As stated above, other SFA processes such as human resources may be impacted by those processes that integrate learning management, training and human resources functions. For example, human resources processes pertaining to skills management, performance management and employee information may be affected.



Technologies Used

List the proposed technologies that will be used to implement this project:

Selection of specific technologies and integration with other systems will be defined during Phase 1. The technical requirements for implementing the system into the existing and planned technical environments will be considered. All tools selected will be compatible with the aggregator to be selected for the Automated Human Capital Model (task order 62). Consideration will also be given to using THINQ Training Server, currently being implemented by the Department of Education TDC. Based on the services and capabilities required, multiple 3rd party tools could be used to provide complementing functionality.

During Phase 1 the option to build a customized Learning Management System will be considered. Should a build option be selected, additional operations costs/challenges will be considered (ongoing system maintenance, in-house technical expertise and hosting needs through the VDC).

Should a 3rd party vendor system be chosen, an ASP hosting approach will be considered. Consistent with the approach for the Automated Human Capital Model, the ASP approach will provide SFA University full functionality, scalability and support without the need for in-house hardware infrastructure or detailed technical expertise. As written, this business case assumes an ASP approach.

Benefits

Provide a narrative discussion to explain why SFA is doing the initiative and what project objectives or expected outcomes can be quantified and how can they be measured. Demonstrate that the initiative supports the goals and objectives of SFA, how it supports these goals and objectives, to what extent it helps SFA achieve these goals and objectives and when these benefits will be realized.

The primary benefits for the Learning Management System are improving customer and employee satisfaction. Reductions in unit costs may be achieved by reducing the effort to administer training services. Given that the current system does not provide the desired capability, a cost comparison with an existing system/capability is not possible. The benefits below will be revised at the end of Phase 1 to more closely reflect the benefits of the capabilities to be provided by the LMS.

Reduce Unit Cost

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Reduced logistics planning	Course fulfillment % and course attendance will be tracked to provide accurate projections of logistic needs for future classes	Ongoing, beginning Oct 2001
Elimination of courses or re-purposing courses to less costly delivery channel (web-based, self-study); specific benefit based on costs of revised courses	Attendance and course feedback information will be used as input to assess if a course should be eliminated or revised. Course elimination or revising course delivery will reduce training delivery costs such as travel and material costs.	Ongoing based on need for course/curriculum revisions



Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Reduced time to create training plans	Customer feedback surveys will assess efficiency of training process	Ongoing, beginning Oct 2001
Reduced time for employees and administrators to discuss training inquiries; estimated reduction of 25% of phone inquiries	The number and type of inquiries will be tracked to measure if the number of technology based inquiries increase and the number of phone inquiries decrease	Ongoing, beginning Oct 2001
<i>Assumptions</i>		
<ul style="list-style-type: none"> Potential savings through reduction in effort to be realized in phases as the system is rolled out Current cost and training data will be estimated for comparison during Phase 1 A survey capability will be included in the LMS requirements 		

Increase Customer Satisfaction (External Customers)

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Schools will have reliable and easy access to training information. Current external materials are often outdated or missing due to the amount of time needed to post them through IFAP	<ul style="list-style-type: none"> Improved customer feedback through surveys Reduced customer inquiries 	Feb 2002
Revised registration and logistics process will eliminate the current complicated and often "down" SFA University registration site	<ul style="list-style-type: none"> Improved customer feedback through surveys Reduced customer inquiries 	Feb 2002
Accurate notifications of registration and cancellations	<ul style="list-style-type: none"> Increased class fulfillment % Reduced inquiries Reduced cancellations 	Feb 2002
The ability to provide feedback through surveys will enable customers to have a significant impact on the training that is offered in the future	<ul style="list-style-type: none"> Increased course attendance Improved customer feedback through surveys 	Ongoing, based on need for course/curriculum revisions



<i>Assumptions</i>		

Increase Employee Satisfaction (Internal Customers)

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Employees will have reliable and easy access to the training information for both registration and development of training plans	<ul style="list-style-type: none"> Improved customer feedback through surveys Reduced customer inquiries 	Oct 2001
Revised registration and logistics process will eliminate the current complicated and often “down” SFA University registration site	<ul style="list-style-type: none"> Improved customer feedback through surveys Reduced customer inquiries 	Oct 2001
Accurate notifications of registration and cancellations	<ul style="list-style-type: none"> Increased class fulfillment % Reduced inquiries Reduced cancellations 	Oct 2001
The ability to provide feedback through surveys will enable employees to influence future training which is more closely aligned with skill development needs	<ul style="list-style-type: none"> Increased course attendance Improved customer feedback through surveys 	Ongoing based on need for course/ curriculum revisions
Employees will have a complete and accurate record of their training instead of a fragmented record held in multiple locations	<ul style="list-style-type: none"> Improved customer feedback through surveys Reduced customer inquiries 	Oct 2001
Employees will receive recognition through the awarding of a certificate at the end of training instead of waiting for manual production	<ul style="list-style-type: none"> Improved customer feedback through surveys Reduced administrative time generating certificates 	Oct 2001



<i>Assumptions</i>					
<ul style="list-style-type: none"> For classroom based courses, certificate generation requires data entry of course attendees Requires integration of individual training plans from performance management tool such as Perform.com 					

Estimated overall dollar amount of all benefits listed above.

Quantified Benefits					
BY	BY+1	BY+2	BY+3	BY+4	Total
<i>Assumptions</i>					
<ul style="list-style-type: none"> Quantified benefits will be assessed during Phase 1 after specific requirements are gathered The opportunity to recover costs from external customers by extending LMS services will be assessed in Phase 1, potentially increasing the financial benefits \$500,000 - \$2,000,000 (rough order of magnitude) based on pricing, volume and growth 					

Costs

Provide costs, including those to implement the initiative and the costs to support it over its useful life.

The following cost figures are for implementation of a vendor's ASP based Learning Management System. During Phase 1, building a system will also be considered and estimated. The build option will have different implementation, maintenance and VDC costs.

Development Costs							
	BY (\$000)	BY+1 (\$000)	BY+2 (\$000)	BY+3 (\$000)	BY+4 (\$000)	BY+5 (\$000)	Total (\$000)
Implementation							
Phase 1	\$150	\$0					\$150
Complete Reqs*							
Funding analysis*							
Sourcing analysis*							
Software selection*							
Phase 2							
License	\$100	\$0					\$500



Development Costs							
	BY (\$000)	BY+1 (\$000)	BY+2 (\$000)	BY+3 (\$000)	BY+4 (\$000)	BY+5 (\$000)	Total (\$000)
Hosting Setup	\$10	\$0					\$10
Implement	\$400	\$100					\$1250
Phase 3							
License	\$0	\$400					\$500
Implement	\$0	\$750					\$1250
Total Implement.	\$660	\$1,250					\$1,910
Operations							
Hosting	\$30	\$100	\$103	\$106	\$110	\$113	\$562
Maint Fee	\$20	\$80	\$82	\$85	\$88	\$90	\$445
Maint effort	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operations	\$50	\$180	\$185	\$191	\$198	\$203	\$1,007
Total Cost	\$710	\$1430	\$185	\$191	\$198	\$203	\$2,917
<i>Assumptions</i>							
<ul style="list-style-type: none"> Actual development costs will be estimated during Phase 1 BY: Implement for 1,200 internal employees during Phase 1 BY+1: Implement for 30,000 external customers and customize/extend functionality during Phase 3 Sample costs based on sourcing/funding option of LMS using ASP hosting based on standard software costs. Actual costs and sourcing approach to be confirmed during Phase 1. *Phase 1 estimate based on 3 FTEs for 2 - 3 months Hosting and maintenance costs were calculated using a 3-year average CPI of 3.1 % 							

Total Cost of Ownership

What is the level of required enhancement after implementation?

If the ASP approach is selected, the vendor will provide system maintenance and upgrades. If a build option is selected then dedicated technical personnel will need to maintain the system along with its hosting requirements.

Capability enhancements are only required as the need for services and capabilities are revised. Course and employee data will be updated as the information is revised. Should changes be made to other systems which share data with the LMS then these interfaces will need to be maintained.



What is the life span of this initiative?

The life span of the initiative is 10 – 12 months (FY01 and FY02).

Although the typical life span of a LMS is 5 years, as long as the information in the LMS and the linkages to other systems are maintained the life span of the system is not inherently limited. The system administers training and is therefore not limited by the content of the training classes. Consideration will be given to scalability to support growth among end-users.

Alternatives

Discuss what could be done in place in this initiative and describe the consequences of each alternative.

Alternative	Consequence
Remain as-is	<ul style="list-style-type: none">• A stand-alone system with no interoperability, so information does not flow back and forth between TDC TRAINS system, HR system, and our registration system• No current internal training system exists, so employees will have to search multiple locations to find courses that match their desired skills.• The system cannot be updated while operating. It is nearly impossible to implement updates to the system while external workshops are ongoing.• ED Server is not maintained 24/7. When the server goes down, SFA does not know until users start calling and emailing. Then they have to locate someone at ED LAN to request that contractors inspect the server. Often the system will be down for days at a time.• Low customer satisfaction because the system does not provide information on specifics for each workshop, such as what to bring to the workshop, links to maps, directions, and hotels.• SFA will have no accurate record of employee training and development.• Continued maintenance costs, and customer complaints due to ineffectual value provided by current fragmented systems• Continued lack of employee empowerment and low job satisfaction• Inability to provide reporting data for the cost effectiveness of different types of training
Non-technology solution	<ul style="list-style-type: none">• Enterprise integration capabilities will not exist• SFA will continue to pay high costs of outsourcing and maintaining outdated systems owned by ED and various contractors• Employees will have limited access to training history and training options• More SFA University employees will need to be hired to address the growing requests for training support from other SFA channels
Enhance an existing system	<ul style="list-style-type: none">• Lack of SFA ownership will hamper PBO goal achievements• Functionality could be limited by system requirements• Integration with HR and performance management systems may not be possible• Continued maintenance costs, ineffectual value provided by current fragmented systems



Alternative	Consequence
	<ul style="list-style-type: none"> Lack of control over system input causes training information to be out of date System maintenance and updates are only possible during ED LAN downtime.
Implement on a smaller scale	<ul style="list-style-type: none"> Services not extended to external customers Enterprise integration capabilities will not exist Majority of costs to implement will be incurred without achieving full benefits Some services may need to be provided by hiring more SFA U employees to address the growing requests for training support from other SFA channels

Risks

Risk	Description of Risk	Mitigation Strategy
Financial	<ul style="list-style-type: none"> Maintenance and hosting costs could increase over time Actual costs negotiated could vary from estimated "quoted" costs 	<ul style="list-style-type: none"> Detailed costs will be negotiated and contracted
Technology	<ul style="list-style-type: none"> Limited integration with related systems as a result of incomplete requirements and/or incompatible systems Need for technical expertise to maintain system, if build option selected 	<ul style="list-style-type: none"> Formal software selection process Coordinate/leverage task order 62 for requirements analysis, software selection and implementation plan ASP approach
Scope	<ul style="list-style-type: none"> Incomplete or inaccurate services and capabilities deployed 	<ul style="list-style-type: none"> Identify and confirm services and capabilities required during Phase 1 with all stakeholders (management, training administrators, employees, customers) Formal software selection process
Management		

Acquisition Strategy

Sources (Indicate the prospective sources of supplies or services that can meet the need of this project. List the most likely offerors for the requirement, and/or the manufacturer and model of the equipment that will most likely be offered).



For vendor LMS - several LMS providers will be considered including: THINQ Training Server, Docent Enterprise, Saba Learning Enterprise, Knowledge Planet KP2000, Click2Learn Ingenium, TEDS, Intelliprep iX, etc...

For build option – this is a Modernization Partner effort.

Competition *(Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition, including any performance requirements that will be required).*

These considerations will be based on the requirements and will be established during Phase 1. This information will then drive the software selection process to ensure the selection of best-of-breed provider. During Phase 1, requirements will be gathered to define the services and capabilities required. This information along with technical requirements will be confirmed with users and stakeholders and then submitted to potential providers. Providers will be screened based on responses to these requirements and then a “short list” of providers will be fully evaluated. At the end of Phase 1, a provider will be selected based on their ability to deliver the services and capabilities required, compatibility with the technical environment, product stability and pricing.

Contract Considerations *(For each contract contemplated, discuss contract type selection; use of multiyear contracting, options, or other special contracting methods, ex: performance-based).*

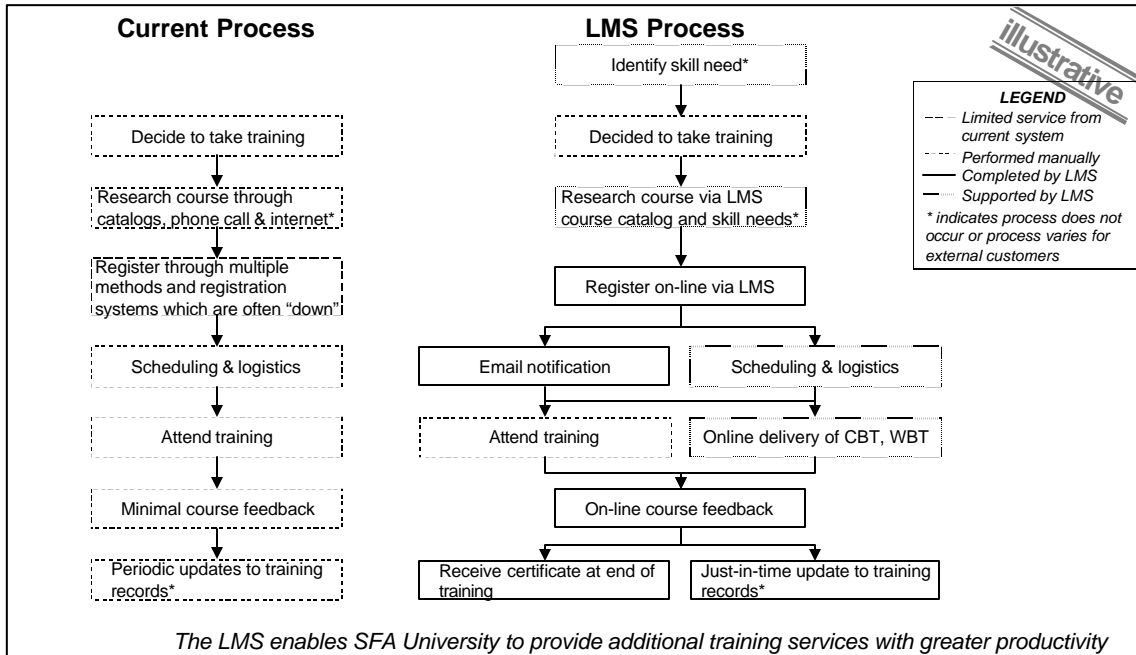
The contract will address both implementation and the delivery of ongoing service and will consider the following parameters:

- Capabilities/services
- Licensing
- Maintenance
- Hosting
- Implementation and integration effort

Schedule/Milestones (including acquisition cycle)

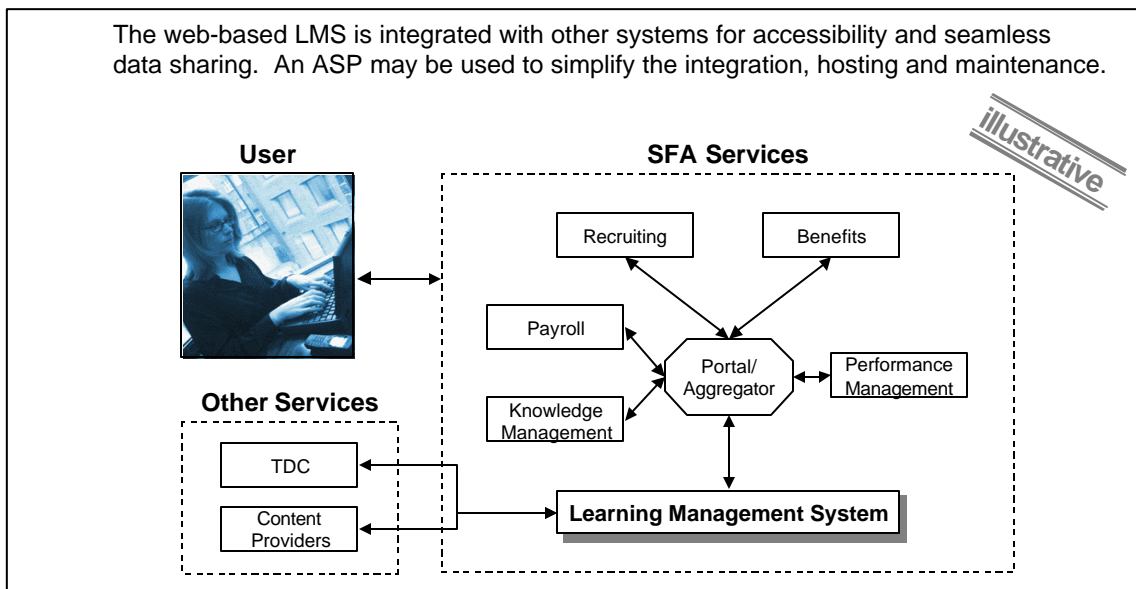
#	Milestone	Start Date	End Date
1	Task award, begin Phase 1	-	4/5
2	Requirements and software selection criteria identified	4/5	5/1
3	Vendor demos and analysis	4/30	6/1
4	Build vs. buy decision	5/14	6/1
5	Vendor selection	5/21	6/15
6	Implementation plan	5/25	6/30
7	Phase 2: Design, Build, Implement Basic LMS functions	June 2001	Nov 2001
8	Phase 3: Customize and Extend LMS	Nov 2001	Apr 2002

Appendix:



Appendix 1: LMS Registration Training/Delivery

Sample service and process improvements to be realized through the implementation of a LMS



Appendix 2: LMS Integration

Possible integration of LMS within Human Capital Model for accessibility and seamless data sharing